

95 FEB 15 AM 9:28
HOUSE OF REPRESENTATIVES

I certify that the attached is a true and correct copy of the document which was filed of record in the Chief Clerk's Office and referred to the committee on:

Financial Institutions
Cynthia Gehardt
Chief Clerk of the House

DEC 29 1994

By Willie

HJ.R. No. 34

A JOINT RESOLUTION

1 proposing a constitutional amendment providing for the issuance of
2 additional general obligation bonds for veterans' housing
3 assistance.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 49-b-2, Article III, Texas Constitution,
6 is amended by adding Subsection (q) to read as follows:

7 (q) In addition to the general obligation bonds authorized
8 to be issued and to be sold by the Veterans' Land Board by Sections
9 49-b and 49-b-1 of this article and Subsection (a) of this section,
10 the Veterans' Land Board may provide for, issue, and sell general
11 obligation bonds of the state in an amount not to exceed \$500
12 million to provide housing financing to veterans of the state. The
13 bond proceeds shall be deposited in the veterans' housing
14 assistance fund II established by Subsection (e) of this section to
15 be administered in the manner provided by this section to make home
16 mortgage loans to veterans for housing. The provisions of this
17 section relating to the veterans' housing assistance fund II apply
18 to proceeds of bonds authorized under this subsection. Payment of
19 principal and interest on the bonds shall be made from the
20 veterans' housing assistance fund II or appropriated out of the
21 treasury as provided by this section.

22 SECTION 2. This proposed constitutional amendment shall be
23 submitted to the voters at an election to be held November 7, 1995.
24 The ballot shall be printed to permit voting for or against the

and such a situation will not be a
new one for the people of the state
and the people of the state will be
the same as the people of the state

Richard D. Little
Governor of the State of New York

- 1 proposition: "The constitutional amendment authorizing the
- 2 issuance of up to \$500 million in general obligation bonds payable
- 3 from the general revenues of the state for veterans' housing
- 4 assistance."

COAUTHOR AUTHORIZATION-74TH LEGISLATURE
(please request your coauthors to sign this form
in lieu of the front or the back of the original bill)

For chief clerk use only
Bill or Resolution Number:

HR 34

Waller
signature of primary author

W. H. H.
printed name of primary author

2-9-95
Date

PERMISSION TO SIGN HR 34 HAS BEEN GIVEN TO (check only one of the following):
(bill or resolution #)

☒ ALL REPRESENTATIVES

☐ THE FOLLOWING REPRESENTATIVE(S): _____

I authorize the Chief Clerk to include my name as a coauthor of the legislation indicated above:

A2120 Alexander	Date	A2115 Allen	Date	A2125 Alonzo	Date
A2105 Alvarado	Date	A2135 Averitt	Date	A2160 Bailey	Date
A2200 Berlanga	Date	A2240 Black	Date	A2270 Bomer	Date
A2275 Bosse	Date	A2265 Brady	Date	A2260 Brimer	Date
A2405 Carona	Date	A2400 Carter	Date	A2480 Chisum	Date
A2530 Clemons	Date	A2435 Coleman	Date	A2575 Combs	Date
A2580 Conley	Date	A2570 Cook	Date	A2595 Corte	Date
A2600 Counts	Date	A2605 Crabb	Date	A2610 Craddick	Date
A2645 Cuellar, Henry	Date	A2646 Cuellar, Renato	Date	A2635 Culberson	Date
A2670 Danburg	Date	A2675 Davila	Date	A2625 Davis	Date
A2630 De La Garza	Date	A2685 Dear	Date	A2680 Delisi	Date
A3385 Denny	Date	A2705 Driver	Date	A2665 Dukes	Date
A2655 Duncan	Date	A2650 Dutton	Date	A2770 Edwards	Date
A2760 Ehrhardt	Date	A2775 Eiland	Date	A2785 Elkins	Date
A2810 Farrar	Date	A2830 Finnell	Date	A2920 Gallego	Date
A2935 Giddings	Date	A2880 Glaze	Date	A2985 Goodman	Date
A2990 Goolsby	Date	A3005 Gray	Date	A3010 Greenberg	Date
A3020 Grusendorf	Date	A3030 Gutierrez	Date	A3035 Haggerty	Date
A2695 Hamric	Date	A3120 Harris	Date	A3170 Hartnett	Date
A3345 Hawley	Date	A3180 Heflin	Date	A3230 Hernandez	Date
A3240 Hightower	Date	A3310 Hilbert	Date	A3250 Hilderbran	Date

For chief clerk use only
Bill or Resolution Number:

HJR 34

A3275 Hill	Date	A3285 Hirschi	Date	A3305 Hochberg	Date
A3295 Holzheanser	Date	A3300 Horn	Date	A3315 Howard	Date
A3350 Hudson	Date	A3355 Hunter, Bob	Date	A3365 Hunter, Todd	Date
A3380 Jackson	Date	A3415 Janek	Date	A3395 Johnson	Date
A3405 Jones, Delwin	Date	A3400 Jones, Jesse	Date	A3440 Junell	Date
A3460 Kamel	Date	A3465 King	Date	A3485 Krusee	Date
A3490 Kubiak	Date	A3450 Kuempel	Date	A3510 Laney	Date
A3605 Lewis, Glenn	Date	A3600 Lewis, Ron		A3615 Longoria	Date
A3620 Luna	Date	A3715 Madden	Date	A3750 Marchant	Date
A2700 Maxey	Date	A3665 McCall	Date	A3670 McCoulskey	Date
A3660 McDonald	Date	A3850 Moffat	Date	A3860 Moreno	Date
A3865 Mowery	Date	A3855 Munoz	Date	A3885 Naishtat	Date
A3895 Nixon	Date	A3875 Oakley	Date	A3990 Ogden	Date
A3880 Oliveira	Date	A4020 Park	Date	A4070 Patterson	Date
A4180 Pickett	Date	A4185 Pitts	Date	A4110 Place	Date
A4190 Price	Date	A4200 Puente	Date	A4230 Rabuck	Date
A4210 Ramsay	Date	A4240 Rangel	Date	A4235 Raymond	Date
A4236 Reyna	Date	A4260 Rhodes	Date	A4315 Rodriguez	Date
A4325 Romo	Date	A4305 Rusling	Date	A4370 Sadler	Date
A4380 Saunders	Date	A4425 Seidlits	Date	A4460 Serna	Date
A4435 Shields	Date	A4445 Siebert	Date	A4530 Smithee	Date
A4550 Solis	Date	A4505 Solomons	Date	A4510 Stiles	Date
A4570 Swinford	Date	A4585 Talton	Date	A4605 Telford	Date
A4630 Thompson	Date	A4635 Tillery	Date	A4640 Torres	Date
A2730 Turner, Bob	Date	A4685 Turner, Sylvester	Date	A4690 Uher	Date
A4720 Van de Putte	Date	A4990 Walker	Date	A4995 West	Date
A5010 Williamson	Date	A4970 Willis	Date	A5000 Wilson	Date
A5015 Wohlgemuth	Date	A4980 Wolens	Date	A5005 Woolley	Date
A5025 Yarbrough	Date	A5030 Yost	Date	A5040 Zbraneck	Date

HOUSE COMMITTEE REPORT

95 FEB 27 PM 8:01

HOUSE OF REPRESENTATIVES

1st Printing

By Willis, Raymond, Gutierrez, et al.

H.J.R. No. 34

Substitute the following for H.J.R. No. 34:

By Gutierrez

C.S.H.J.R. No. 34

A JOINT RESOLUTION

1 proposing a constitutional amendment to increase the amount of
2 general obligation bonds authorized for veterans' housing
3 assistance.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III, Texas Constitution, is amended by
6 adding Section 49-b-3 to read as follows:

7 Sec. 49-b-3. (a) In addition to the general obligation
8 bonds authorized to be issued and to be sold by the Veterans' Land
9 Board by Sections 49-b, 49-b-1, and 49-b-2 of this article, the
10 Veterans' Land Board may provide for, issue, and sell general
11 obligation bonds of the state in an amount not to exceed \$500
12 million to provide housing financing to veterans of the state in
13 recognition of their service to this state and the United States.
14 The Veterans' Land Board may enter into bond enhancement agreements
15 with respect to the bonds. The proceeds from the issuance and sale
16 of the bonds authorized by this section shall be used to augment
17 the Veterans' Housing Assistance Fund II to be administered and
18 invested as provided by law.

19 (b) The principal of and interest on the general obligation
20 bonds authorized by this section, including payments under bond
21 enhancement agreements with respect to principal of or interest on
22 the bonds, shall be payable from the sources and in the manner
23 provided by Section 49-b-2 of this article for general obligation
24 bonds issued under that section to augment the Veterans' Housing

1 Assistance Fund II.

2 (c) The general obligation bonds authorized by this section
3 shall be issued and sold in forms and denominations, on terms, at
4 times, in the manner, at places, and in installments the Veterans'
5 Land Board determines. The bonds shall bear a rate or rates of
6 interest the Veterans' Land Board determines. The bonds authorized
7 by this section shall be incontestable after execution by the
8 Veterans' Land Board, approval by the attorney general, and
9 delivery to the purchaser or purchasers of the bonds.

10 SECTION 2. This proposed constitutional amendment shall be
11 submitted to the voters at an election to be held November 7, 1995.
12 The ballot shall be printed to permit voting for or against the
13 proposition: "The constitutional amendment to increase by \$500
14 million the amount of general obligation bonds that may be issued
15 to augment the veterans' housing assistance fund II."

COMMITTEE REPORT

The Honorable Pete Laney
Speaker of the House of Representatives

02-20-95
(date)

Sir:

We, your COMMITTEE ON FINANCIAL INSTITUTIONS

to whom was referred HSR 34 have had the same under consideration and beg to report back with the recommendation that it

- () do pass, without amendment.
() do pass, with amendment(s).
(☒) do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
(☒) yes () no A fiscal note was requested.
() yes (☒) no A criminal justice policy impact statement was requested.
() yes (☒) no An equalized educational funding impact statement was requested.
() yes (☒) no An actuarial analysis was requested.
() yes (☒) no A water development policy impact statement was requested.
() The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor _____

Joint Sponsors _____ / _____ / _____ / _____

Co-Sponsors: _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Marchant, Ch.	<input checked="" type="checkbox"/>			
Carona, V.C.	<input checked="" type="checkbox"/>			
Elkins	<input checked="" type="checkbox"/>			
Giddings	<input checked="" type="checkbox"/>			
Grusendorf	<input checked="" type="checkbox"/>			
Gutierrez	<input checked="" type="checkbox"/>			
Hudson				<input checked="" type="checkbox"/>
Patterson	<input checked="" type="checkbox"/>			
Romo	<input checked="" type="checkbox"/>			

Total 8 aye
0 nay
0 present, not voting
1 absent

J. M. Laney
CHAIRMAN

BILL ANALYSIS

Financial Institutions Committee
C.S.H.J.R. 34
By: Willis
02-15-95
Committee Report (Substituted)

BACKGROUND

In 1983, the 68th Texas Legislature created the Veterans Housing Assistance Program (VHAP) to provide low-interest loans to qualified Texas veterans for the purchase of a home. Administered by the Texas Veterans Land Board, the program is funded by bonds issued pursuant to Article III, Sections 49-b-1 and 49-b-2 of the Texas Constitution. Since the program's inception, voters have approved \$1.5 billion in general obligation bond authority, of which \$1.235 billion has been issued by the Board. The bonds are repaid and all administrative costs of the program are paid from mortgage repayments. No tax dollars are used to support the program.

The maximum amount of a VHAP loan is \$45,000. Current interest rates for VHAP loans are under eight-percent, and, in some cases, under seven percent, with no discount points required.

Because of the low interest rates on land and VHAP loans, and steadily rising private mortgage rates, the Veterans Land Board made more than \$345 million in loans to 9,388 veterans in 1994. At the current lending rate, it is anticipated that the remaining bond authority (\$265 million) will be insufficient to meet loan demand after 1996.

PURPOSE

CSHJR 34 would amend Article III of the Texas Constitution by adding a new Section 490b-3, which authorizes an additional \$500 million in bond authority to augment the Veterans Housing Assistance Fund II. If approved by the voters in an election to be held on November 7, 1995, this additional bond authority will enable the Veterans Housing Assistance Program to continue operating past 1996.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III of the Texas Constitution by adding new subsection 49-b-3.

1(a) authorizes the Veterans Land Board to issue \$500 million in general obligation bonds to augment the Veterans' Housing Assistance Fund II. The Board is also authorized to enter into bond enhancement agreements with respect to such bonds. Proceeds from the issuance and sale of the authorized bonds are designated to be used to augment the Veteran's Housing Assistance Fund II.

1(b) requires principal and interest on the general obligation bonds authorized by this Section to be payable from the Veterans' Housing Assistance Fund II.

1(c) authorizes the Veterans Land Board to determine the forms, denominations, terms, times, manner, places, and installments under which the general obligation bonds will be issued and sold. The subsection also declares bonds authorized by this Section to be incontestable after execution by the Veterans Land Board, approval by the Attorney General, and delivery to the

purchaser of the bonds.

SECTION 2. Provides that the amendment shall be submitted to the voters at an election to be held November 7, 1995.

COMPARISON OF ORIGINAL TO SUBSTITUTE

HJR 34 would have amended Article III of the Texas Constitution by adding a new subsection, 49-b-2(q), which authorizes an additional \$500 million in bond authority to augment the Veterans Housing Assistance Fund II. If approved by the voters in an election to be held November 7, 1995, this additional bond authority will enable the Veterans Housing Assistance Program to continue operating past 1996.

CSHJR 34 adds the above-mentioned requirement of paying the principal and interest on the bonds from the Veterans Housing Assistance Fund II, and authorizing the Veterans Land Board to determine conditions under which the bonds will be sold. The amendment also declares the bonds to be incontestable after certain conditions are met and the bonds are delivered to the purchaser.

SUMMARY OF COMMITTEE ACTION

Pursuant to a notice posted on February 15, 1995, the Committee on Financial Institutions convened in a public hearing on February 20, 1995 to consider HJR 34. The Chair laid out HJR 34 by Rep. Willis. Rep. Gutierrez offered a complete committee substitute to HJR 34 which was adopted without objection. The following people testified in favor of the bill: Rep. Doyle Willis, Rep. Richard Raymond, Samuel Bier. The following people testified neutrally on the bill: Gary Mauro, David A. Gloier, Bruce Salzer, Jerry E. Turner. The motion to report CSHJR 34 favorably to the House as substituted prevailed by the following vote: 8 Ayes, 0 Nays, 0 PNV, and 1 Absent.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session

February 24, 1995

TO: Honorable Kenny Marchant
Committee on Financial Institutions
House of Representatives
Austin, Texas

IN RE: Committee Substitute for
House Joint Resolution
No. 34
By: Willis, Raymond,
Gutierrez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 34 (proposing a constitutional amendment to increase the amount of general obligation bonds authorized for veterans' housing assistance) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would propose a constitutional amendment authorizing the Veterans Land Board (VLB) to issue general obligation bonds in an amount not to exceed \$500 million. The bond proceeds would be used to make home mortgage loans to Texas veterans through the Veterans Housing Assistance Fund II. The time manner, rates, and other terms of the bond issuance would be determined by the Veterans Land Board.

Bonds issued for the Veterans Land and Veterans Housing Assistance Program are self-supporting. Repayment of bonds has never required the use of general revenue. To the extent that funds in the Veterans Housing Assistance Fund II were not sufficient to pay debt service on the bonds, general revenue funds would be appropriated. The estimate of maximum potential costs assumes a bond issuance of \$100 million each year with debt service payments based on a 7.5 percent interest rate for a thirty year period and semiannual interest payments. One interest payment is assumed in the year of issuance.

The cost to the state for publication of the resolution is \$90,000.

The probable fiscal implication of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Cost for Debt Service Out of Veterans Housing Assistance Fund
1996	\$4,213,000
1997	12,638,000
1998	21,063,000
1999	29,489,000
2000	37,914,000

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Source: Comptroller of Public Accounts, General Land Office and Veterans' Land Board,
Texas Public Finance Authority, Bond Review Board
LBB Staff: JK, KW, DF, RR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session

February 20, 1995

TO: Honorable Kenny Marchant, Chair
Committee on Financial Institutions
House of Representatives
Austin, Texas

IN RE: House Joint Resolution
No. 34
By: Willis, Raymond,
Gutierrez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 34 (Proposing a constitutional amendment providing for the issuance of additional general obligation bonds for veterans' housing assistance.) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would propose a constitutional amendment authorizing the Veterans Land Board (VLB) to issue general obligation bonds in an amount not to exceed \$500 million. The bond proceeds would be used to make home mortgage loans to Texas veterans through the Veterans Housing Assistance Fund II. The time manner, rates, and other terms of the bond issuance would be determined by the Veterans Land Board.

Bonds issued for the Veterans Land and Veterans Housing Assistance Program are self-supporting. Repayment of bonds has never required the use of general revenue. To the extent that funds in the Veterans Housing Assistance Fund II were not sufficient to pay debt service on the bonds, general revenue funds would be appropriated. The estimate of maximum potential costs assumes a bond issuance of \$100 million each year with debt service payments based on a 7.5 percent interest rate for a thirty year period and semiannual interest payments. One interest payment is assumed in the year of issuance.

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Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Source: Comptroller of Public Accounts, General Land Office and Veterans' Land Board,
Texas Public Finance Authority, Bond Review Board
LBB Staff: JK, KW, DF, RR

HC
ADOPTED

MAR 6 1995

Cynthia Burkhardt
Chief Clerk
House of Representatives

11/11/95
By Willis

HJ.R. No. 34

Substitute the following for HJ.R. No. 34:

By Gutierrez

C.S. HJ.R. No. 34

A JOINT RESOLUTION

1 proposing a constitutional amendment to increase the amount of
2 general obligation bonds authorized for veterans' housing
3 assistance.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III, Texas Constitution, is amended by
6 adding Section 49-b-3 to read as follows:

7 Sec. 49-b-3. (a) In addition to the general obligation
8 bonds authorized to be issued and to be sold by the Veterans' Land
9 Board by Sections 49-b, 49-b-1, and 49-b-2 of this article, the
10 Veterans' Land Board may provide for, issue, and sell general
11 obligation bonds of the state in an amount not to exceed \$500
12 million to provide housing financing to veterans of the state in
13 recognition of their service to this state and the United States.
14 The Veterans' Land Board may enter into bond enhancement agreements
15 with respect to the bonds. The proceeds from the issuance and sale
16 of the bonds authorized by this section shall be used to augment
17 the Veterans' Housing Assistance Fund II to be administered and
18 invested as provided by law.

19 (b) The principal of and interest on the general obligation
20 bonds authorized by this section, including payments under bond
21 enhancement agreements with respect to principal of or interest on
22 the bonds, shall be payable from the sources and in the manner
23 provided by Section 49-b-2 of this article for general obligation
24 bonds issued under that section to augment the Veterans' Housing

CEP1004

APR 1995
1995

1995

1 Assistance Fund II.

2 (c) The general obligation bonds authorized by this section
3 shall be issued and sold in forms and denominations, on terms, at
4 times, in the manner, at places, and in installments the Veterans'
5 Land Board determines. The bonds shall bear a rate or rates of
6 interest the Veterans' Land Board determines. The bonds authorized
7 by this section shall be incontestable after execution by the
8 Veterans' Land Board, approval by the attorney general, and
9 delivery to the purchaser or purchasers of the bonds.

10 SECTION 2. This proposed constitutional amendment shall be
11 submitted to the voters at an election to be held November 7, 1995.
12 The ballot shall be printed to permit voting for or against the
13 proposition: "The constitutional amendment to increase by \$500
14 million the amount of general obligation bonds that may be issued
15 to augment the veterans' housing assistance fund II."

HOUSE ENGROSSMENT



By Willis, Raymond, Gutierrez, et al.

H.J.R. No. 34

A JOINT RESOLUTION

1 proposing a constitutional amendment to increase the amount of
2 general obligation bonds authorized for veterans' housing
3 assistance.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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7 Sec. 49-b-3. (a) In addition to the general obligation
8 bonds authorized to be issued and to be sold by the Veterans' Land
9 Board by Sections 49-b, 49-b-1, and 49-b-2 of this article, the
10 Veterans' Land Board may provide for, issue, and sell general
11 obligation bonds of the state in an amount not to exceed \$500
12 million to provide housing financing to veterans of the state in
13 recognition of their service to this state and the United States.
14 The Veterans' Land Board may enter into bond enhancement agreements
15 with respect to the bonds. The proceeds from the issuance and sale
16 of the bonds authorized by this section shall be used to augment
17 the Veterans' Housing Assistance Fund II to be administered and
18 invested as provided by law.

19 (b) The principal of and interest on the general obligation
20 bonds authorized by this section, including payments under bond
21 enhancement agreements with respect to principal of or interest on
22 the bonds, shall be payable from the sources and in the manner
23 provided by Section 49-b-2 of this article for general obligation
24 bonds issued under that section to augment the Veterans' Housing

1 Assistance Fund II.

2 (c) The general obligation bonds authorized by this section
3 shall be issued and sold in forms and denominations, on terms, at
4 times, in the manner, at places, and in installments the Veterans'
5 Land Board determines. The bonds shall bear a rate or rates of
6 interest the Veterans' Land Board determines. The bonds authorized
7 by this section shall be incontestable after execution by the
8 Veterans' Land Board, approval by the attorney general, and
9 delivery to the purchaser or purchasers of the bonds.

10 SECTION 2. This proposed constitutional amendment shall be
11 submitted to the voters at an election to be held November 7, 1995.
12 The ballot shall be printed to permit voting for or against the
13 proposition: "The constitutional amendment to increase by \$500
14 million the amount of general obligation bonds that may be issued
15 to augment the veterans' housing assistance fund II."

1 By: Willis, et al. (Senate Sponsor - Brown) H.J.R. No. 34
2 (In the Senate - Received from the House March 7, 1995;
3 March 8, 1995, read first time and referred to Committee on
4 Finance; March 16, 1995, reported favorably by the following vote:
5 Yeas 11, Nays 0; March 16, 1995, sent to printer.)

6 HOUSE JOINT RESOLUTION

7 proposing a constitutional amendment to increase the amount of
8 general obligation bonds authorized for veterans' housing
9 assistance.

10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

11 SECTION 1. Article III, Texas Constitution, is amended by
12 adding Section 49-b-3 to read as follows:

13 Sec. 49-b-3. (a) In addition to the general obligation
14 bonds authorized to be issued and to be sold by the Veterans' Land
15 Board by Sections 49-b, 49-b-1, and 49-b-2 of this article, the
16 Veterans' Land Board may provide for, issue, and sell general
17 obligation bonds of the state in an amount not to exceed \$500
18 million to provide housing financing to veterans of the state in
19 recognition of their service to this state and the United States.
20 The Veterans' Land Board may enter into bond enhancement agreements
21 with respect to the bonds. The proceeds from the issuance and sale
22 of the bonds authorized by this section shall be used to augment
23 the Veterans' Housing Assistance Fund II to be administered and
24 invested as provided by law.

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26 bonds authorized by this section, including payments under bond
27 enhancement agreements with respect to principal of or interest on
28 the bonds, shall be payable from the sources and in the manner
29 provided by Section 49-b-2 of this article for general obligation
30 bonds issued under that section to augment the Veterans' Housing
31 Assistance Fund II.

32 (c) The general obligation bonds authorized by this section
33 shall be issued and sold in forms and denominations, on terms, at
34 times, in the manner, at places, and in installments the Veterans'
35 Land Board determines. The bonds shall bear a rate or rates of
36 interest the Veterans' Land Board determines. The bonds authorized
37 by this section shall be incontestable after execution by the
38 Veterans' Land Board, approval by the attorney general, and
39 delivery to the purchaser or purchasers of the bonds.

40 SECTION 2. This proposed constitutional amendment shall be
41 submitted to the voters at an election to be held November 7, 1995.
42 The ballot shall be printed to permit voting for or against the
43 proposition: "The constitutional amendment to increase by \$500
44 million the amount of general obligation bonds that may be issued
45 to augment the veterans' housing assistance fund II."

46 * * * * *

**FAVORABLE
SENATE COMMITTEE REPORT ON**

SB SCR SJR SR HB HCR HJR 34

By Willis, et al (Brown)
(Author/Senate Sponsor)

3-16-95
(date)

We, your Committee on FINANCE, to which was referred the attached measure, have on 3-16-95, had the same under consideration and I am instructed to report it back with the recommendation (s) that it:

- ☒ do pass and be printed
☐ do pass and be ordered not printed
☐ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no

A revised fiscal note was requested. ☐ yes ☒ no

An actuarial analysis was requested. ☐ yes ☒ no

Considered by subcommittee. ☒ yes ☐ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Montford, Chair	<input checked="" type="checkbox"/>			
Brown, Vice-Chair	<input checked="" type="checkbox"/>			
Barrientos			<input checked="" type="checkbox"/>	
Bivins	<input checked="" type="checkbox"/>			
Ellis			<input checked="" type="checkbox"/>	
Lucio	<input checked="" type="checkbox"/>			
Moncrief	<input checked="" type="checkbox"/>			
Ratliff	<input checked="" type="checkbox"/>			
Rosson	<input checked="" type="checkbox"/>			
Sibley	<input checked="" type="checkbox"/>			
Truan	<input checked="" type="checkbox"/>			
Turner	<input checked="" type="checkbox"/>			
Zaffirini	<input checked="" type="checkbox"/>			
TOTAL VOTES	11	0	2	0

COMMITTEE ACTION

☒ S260 Considered in public hearing

☒ S270 Testimony taken

Jerry Anderson
COMMITTEE CLERK

Montford
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill
Retain one copy of this form for Committee files

BILL ANALYSIS

Senate Research Center

H.J.R. 34
By: Willis (Brown)
Veteran Affairs
03-15-95
Engrossed

BACKGROUND

In 1983, the 68th Legislature created the Veterans Housing Assistance Program (VHAP) to provide low-interest loans to qualified Texas veterans for the purchase of a home. Administered by the Texas Veterans Land Board (board), the program is funded by bonds issued pursuant to Article III, Sections 49-b-1 and 49-b-2, Texas Constitution. Since the program's inception, voters have approved \$1.5 billion in general obligation bond authority, of which \$1,235 billion has been issued by the board. The bonds are repaid and mortgage repayments pay all administrative costs of the program; no tax dollars support the program.

Due to the low interest rates on land and VHAP loans, and steadily rising mortgage rates, the board made more than \$345 million in loans to veterans in 1994. At the current lending rate, the remaining bond authority (\$265 million) will be insufficient to meet loan demand after 1996.

PURPOSE

As proposed, H.J.R. 34 authorizes an additional \$500 million in bond authority to the Veteran's Land Board to provide housing financing to veterans of the state.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-b-3, as follows:

Sec. 49-b-3. (a) Authorizes the Veteran's Land Board (board) to provide for, issue, and sell general obligation bonds (bonds) of the state in an amount not to exceed \$500 million to provide housing financing to state veterans in recognition of their service to the state and the United States. Authorizes the board to enter into bond enhancement agreements. Requires the proceeds from the issuance and sale of the bonds to be used to augment the Veteran's Housing Assistance Fund II (VHA Fund II) and to be administered and invested as provided by law.

(b) Requires the principal of and interest on the bonds authorized by this section to be payable from the sources and in the manner under Section 49-b-2 for general obligation bonds issued under that section to augment VHA Fund II.

(c) Requires the bonds to be issued and sold in forms and denominations, on terms, at times, in the manner, at places, and in installments the board determines. Requires the bonds to bear a rate or rates of interest determined by the board, and to be incontestable after execution by the board, approval by the attorney general, and delivery to the purchaser of the bonds.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 7, 1995. Sets forth the required text of the ballot.

BILL ANALYSIS

Senate Research Center

H.J.R. 34
By: Willis (Brown)
Veteran Affairs
3-20-95

Senate Committee Report (Unamended)

BACKGROUND

In 1983, the 68th Legislature created the Veterans Housing Assistance Program (VHAP) to provide low-interest loans to qualified Texas veterans for the purchase of a home. Administered by the Texas Veterans Land Board (board), the program is funded by bonds issued pursuant to Article III, Sections 49-b-1 and 49-b-2, Texas Constitution. Since the program's inception, voters have approved \$1.5 billion in general obligation bond authority, of which \$1,235 billion has been issued by the board. The bonds are repaid and mortgage repayments pay all administrative costs of the program; no tax dollars support the program.

Due to the low interest rates on land and VHAP loans, and steadily rising mortgage rates, the board made more than \$345 million in loans to veterans in 1994. At the current lending rate, the remaining bond authority (\$265 million) will be insufficient to meet loan demand after 1996.

PURPOSE

As proposed, H.J.R. 34 authorizes an additional \$500 million in bond authority to the Veteran's Land Board to provide housing financing to veterans of the state.

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(c) Requires the bonds to be issued and sold in forms and denominations, on terms, at times, in the manner, at places, and in installments the board determines. Requires the bonds to bear a rate or rates of interest determined by the board, and to be incontestable after execution by the board, approval by the attorney general, and delivery to the purchaser of the bonds.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 7, 1995. Sets forth the required text of the ballot.

From: S7545A1 --TXLCNJE Date and time 03/13/95 09:37:56

----- NOTE -----
Subject: (BILL NO.) WITNESS - VETERAN AFFAIRS SUBCOMMITTEE
Revised: WITNESS FORM
74th Legislature

COMMITTEE: Subcommittee on Veteran Affairs
BILL: HJR 34 DATE: 03 12 95

	FOR	AGAINST	ON
Name: no witnesses testified			
Representing:			
City:	-	-	-
Name:			
Representing:			
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PART 1_ OF 1_

<<<<===== E N D O F F O R M =====>>>>

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session

March 15, 1995

TO: Honorable John Montford, Chair
Committee on Finance
Senate
Austin, Texas

IN RE: House Joint Resolution
No. 34, as engrossed

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 34 (Proposing a constitutional amendment to increase the amount of general obligation bonds authorized for veterans' housing assistance.) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would propose a constitutional amendment authorizing the Veterans Land Board (VLB) to issue general obligation bonds in an amount not to exceed \$500 million. The bond proceeds would be used to make home mortgage loans to Texas veterans through the Veterans Housing Assistance Fund II. The time manner, rates, and other terms of the bond issuance would be determined by the Veterans Land Board.

Bonds issued for the Veterans Land and Veterans Housing Assistance Program are self-supporting. Repayment of bonds has never required the use of general revenue. To the extent that funds in the Veterans Housing Assistance Fund II were not sufficient to pay debt service on the bonds, general revenue funds would be appropriated. The estimate of maximum potential costs assumes a bond issuance of \$100 million each year with debt service payments based on a 7.5 percent interest rate for a thirty year period and semiannual interest payments. One interest payment is assumed in the year of issuance.

The cost to the state for publication of the resolution is \$90,000.

The probable fiscal implication of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Cost for Debt Service Out of Veterans Housing Assistance Fund
1996	\$4,213,000
1997	12,638,000
1998	21,063,000
1999	29,489,000
2000	37,914,000

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Source: Comptroller of Public Accounts, General Land Office and Veterans' Land Board,
Texas Public Finance Authority, Bond Review Board
LBB Staff: JK, KW, DF, RR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session

February 24, 1995

TO: Honorable Kenny Marchant
Committee on Financial Institutions
House of Representatives
Austin, Texas

IN RE: Committee Substitute for
House Joint Resolution
No. 34
By: Willis, Raymond,
Gutierrez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 34 (proposing a constitutional amendment to increase the amount of general obligation bonds authorized for veterans' housing assistance) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would propose a constitutional amendment authorizing the Veterans Land Board (VLB) to issue general obligation bonds in an amount not to exceed \$500 million. The bond proceeds would be used to make home mortgage loans to Texas veterans through the Veterans Housing Assistance Fund II. The time manner, rates, and other terms of the bond issuance would be determined by the Veterans Land Board.

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The cost to the state for publication of the resolution is \$90,000.

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2000	37,914,000

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Source: Comptroller of Public Accounts, General Land Office and Veterans' Land Board,
Texas Public Finance Authority, Bond Review Board
LBB Staff: JK, KW, DF, RR

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE
74th Regular Session

February 20, 1995

TO: Honorable Kenny Marchant, Chair
Committee on Financial Institutions
House of Representatives
Austin, Texas

IN RE: House Joint Resolution
No. 34
By: Willis, Raymond,
Gutierrez

FROM: John Keel, Director

In response to your request for a Fiscal Note on House Joint Resolution No. 34 (Proposing a constitutional amendment providing for the issuance of additional general obligation bonds for veterans' housing assistance.) this office has determined the following:

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

The bill would propose a constitutional amendment authorizing the Veterans Land Board (VLB) to issue general obligation bonds in an amount not to exceed \$500 million. The bond proceeds would be used to make home mortgage loans to Texas veterans through the Veterans Housing Assistance Fund II. The time manner, rates, and other terms of the bond issuance would be determined by the Veterans Land Board.

Bonds issued for the Veterans Land and Veterans Housing Assistance Program are self-supporting. Repayment of bonds has never required the use of general revenue. To the extent that funds in the Veterans Housing Assistance Fund II were not sufficient to pay debt service on the bonds, general revenue funds would be appropriated. The estimate of maximum potential costs assumes a bond issuance of \$100 million each year with debt service payments based on a 7.5 percent interest rate for a thirty year period and semiannual interest payments. One interest payment is assumed in the year of issuance.

The cost to the state for publication of the resolution is \$90,000.

The probable fiscal implication of implementing the provisions of the bill during each of the first five years following passage is estimated as follows:

Fiscal Year	Probable Cost for Debt Service Out of Veterans Housing Assistance Fund
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2000	37,914,000

Similar annual fiscal implications would continue as long as the provisions of the bill are in effect.

No fiscal implication to units of local government is anticipated.

Source: Comptroller of Public Accounts, General Land Office and Veterans' Land Board,
Texas Public Finance Authority, Bond Review Board
LBB Staff: JK, KW, DF, RR

F
ENROLLED

H.J.R. No. 34

A JOINT RESOLUTION

1 proposing a constitutional amendment to increase the amount of
2 general obligation bonds authorized for veterans' housing
3 assistance.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Article III, Texas Constitution, is amended by
6 adding Section 49-b-3 to read as follows:

7 Sec. 49-b-3. (a) In addition to the general obligation
8 bonds authorized to be issued and to be sold by the Veterans' Land
9 Board by Sections 49-b, 49-b-1, and 49-b-2 of this article, the
10 Veterans' Land Board may provide for, issue, and sell general
11 obligation bonds of the state in an amount not to exceed \$500
12 million to provide housing financing to veterans of the state in
13 recognition of their service to this state and the United States.
14 The Veterans' Land Board may enter into bond enhancement agreements
15 with respect to the bonds. The proceeds from the issuance and sale
16 of the bonds authorized by this section shall be used to augment
17 the Veterans' Housing Assistance Fund II to be administered and
18 invested as provided by law.

19 (b) The principal of and interest on the general obligation
20 bonds authorized by this section, including payments under bond
21 enhancement agreements with respect to principal of or interest on
22 the bonds, shall be payable from the sources and in the manner
23 provided by Section 49-b-2 of this article for general obligation
24 bonds issued under that section to augment the Veterans' Housing

1 Assistance Fund II.

2 (c) The general obligation bonds authorized by this section
3 shall be issued and sold in forms and denominations, on terms, at
4 times, in the manner, at places, and in installments the Veterans'
5 Land Board determines. The bonds shall bear a rate or rates of
6 interest the Veterans' Land Board determines. The bonds authorized
7 by this section shall be incontestable after execution by the
8 Veterans' Land Board, approval by the attorney general, and
9 delivery to the purchaser or purchasers of the bonds.

10 SECTION 2. This proposed constitutional amendment shall be
11 submitted to the voters at an election to be held November 7, 1995.
12 The ballot shall be printed to permit voting for or against the
13 proposition: "The constitutional amendment to increase by \$500
14 million the amount of general obligation bonds that may be issued
15 to augment the veterans' housing assistance fund II."

H.J.R. No. 34

President of the Senate

Speaker of the House

I certify that H.J.R. No. 34 was passed by the House on March 6, 1995, by the following vote: Yeas 125, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.J.R. No. 34 was passed by the Senate on March 21, 1995, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

RECEIVED:

Date

Secretary of State

President of the Senate

Speaker of the House

I certify that H.J.R. No. 34[✓] was passed by the House on
(1)

March 6⁽²⁾, 1995, by the following vote:

Yeas 125⁽³⁾, Nays 0⁽⁴⁾, 1 present, not voting.

Chief Clerk of the House

I certify that H.J.R. No. 34[✓] was passed by the Senate on

March 21⁽⁵⁾, 1995, by the following vote:

Yeas 30⁽⁶⁾, Nays 0⁽⁷⁾.

Secretary of the Senate

RECEIVED:

Date

Secretary of State

**** Preparation: CT23;

BILL ANALYSIS

Senate Research Center

H.J.R. 34
By: Willis (Brown)
Veteran Affairs
6-20-95
Enrolled

BACKGROUND

In 1983, the 68th Legislature created the Veterans Housing Assistance Program (VHAP) to provide low-interest loans to qualified Texas veterans for the purchase of a home. Administered by the Texas Veterans Land Board (board), the program is funded by bonds issued pursuant to Article III, Sections 49-b-1 and 49-b-2, Texas Constitution. Since the program's inception, voters have approved \$1.5 billion in general obligation bond authority, of which \$1,235 billion has been issued by the board. The bonds are repaid and mortgage repayments pay all administrative costs of the program; no tax dollars support the program.

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PURPOSE

As enrolled, H.J.R. 34 authorizes an additional \$500 million in bond authority to the Veteran's Land Board to provide housing financing to veterans of the state.

RULEMAKING AUTHORITY

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SECTION BY SECTION ANALYSIS

SECTION 1. Amends Article III, Texas Constitution, by adding Section 49-b-3, as follows:

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SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 7, 1995. Sets forth the required text of the ballot.

Proposing a constitutional amendment providing for the issuance of additional general obligation bonds for veterans' housing assistance.

DEC 29 1994

Filed with the Chief Clerk

JAN 31 1995

Read first time and referred to Committee on FINANCIAL INSTITUTIONS

2-20-95

Reported favorably (~~as amended~~)
(as substituted)

FEB 28 1995

Sent to Committee on Calendars

MAR - 6 1995

Read second time (comm. subst.) (~~amended~~) and adopted (~~passed to third reading~~) by a record vote of 125 yeas, 0 nays, 1 present, not votingRead third time (amended) and finally adopted (failed of adoption) by a record vote of yeas, nays, present, not voting

MAR 6 1995

Engrossed

MAR 7 1995

Sent to Senate

Cynthia Gerhardt
CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

MAR 7 1995

Received from the House

SUBCOMMITTEE ON
VETERAN AFFAIRS

MAR 08 1995

Read and referred to Committee on

MAR 16 1995

Reported favorably

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

Laid before the Senate

MAR 21 1995

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)
(yeas, nays)

MAR 21 1995

Read second time, , and passed to third reading by (unanimous consent)
(a viva voce vote)
(yeas, nays)

MAR 21 1995

Senate and Constitutional 3 Day Rules suspended by a vote of 30 yeas, 0 nays

MAR 21 1995

Read third time, , and passed by 39 yeas, 0 nays

3-21-95

Returned to the House

Betty King
SECRETARY OF THE SENATE

OTHER SENATE ACTION:

MAR 21 1995

Returned from the Senate (~~as substituted~~)
(~~with amendments~~)

House concurred in Senate amendments by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

House refused to concur in Senate amendments and requested the appointment of a conference committee
by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

House conferees appointed: _____, Chair; _____,
_____, _____, _____

Senate granted House request. Senate conferees appointed: _____, Chair;
_____, _____, _____

Conference committee report adopted (rejected) by the House by a record vote of
_____ yeas, _____ nays, _____ present, not voting

Conference committee report adopted (rejected) by the Senate by a record vote of
_____ yeas, _____ nays

95 FEB 27 PM 8:01

HOUSE OF REPRESENTATIVES